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Viking's April 7 reveal of U.S. cruises expected to include Memphis

WAYNE RISHER

 $Courtesy\ of\ The\ Daily\ Memphian$

The logic behind a proposed upgrade of Beale Street Landing becomes clearer with new signals about Viking's plans to begin Mississippi River cruising in 2022.

The Norway-based line of river and ocean cruises has been talking to dock owners up and down the Mississippi, including operators of Beale Street Landing, about docking agreements.

Memphis River Parks Partnership officials have said a third company is expected to enter the market in 2022, but they've declined to name the company. The partnership operates Beale Street Landing.

Viking Cruises last week invited news media to an April 7 event at Mardi Gras World in New Orleans where it will announce "the newest and most ambitious river voyages in America's heartland." The announcement is scheduled to be made by Viking chairman Torstein Hagen.

Asked about plans for Mississippi River cruises and docking in Memphis, a Viking spokeswoman said, "Viking continues to work on the Mississippi project, but at this point we are not able to share additional details."

Beale Street Landing currently serves the American Queen Steamboat Company and American Cruise Lines, which are slated to have seven ships docking in Memphis after each company adds a ship this year.

The partnership recently asked a City Council construction budget committee for a \$3.5 million appropriation to upgrade Beale Street Landing. Some of the improvements would help it handle more overnight cruise ships.

Viking's bid to expand onto U.S. rivers, originally announced in 2015, was slowed by a federal law, the Jones Act, that would force the company to use U.S.-built vessels and American workers.

Cruise industry publications reported recently that Viking's plans were taking shape with approval of docking agreements on the upper Mississippi River. Viking also has announced it will start cruising the Great Lakes in 2022.

Viking officials have told officials in potential port cities that the company has an agreement with Edison Chouest Offshore, a Louisiana company, to build and own vessels that would be chartered to Viking.

Viking provided Dubuque, Iowa, officials in 2018 with information showing Viking planned to have six vessels on the Mississippi by 2027.

SPECIAL REPORT

Byhalia Connection pipeline plan sparks intense reactions



"It's nice to have your own piece of land without people telling you what to do. And now we've got bullies coming in, big oil, telling us what we can and can't do," said Chris Pilcher, who believes the pipeline will reduce the value of his DeSoto County property as well as endangering the environment.

(Photos by Jim Weber/Courtesy of The Daily Memphian)

WAYNE RISHER

Courtesy of The Daily Memphian

"Worst" and "largest" aren't comforting descriptions of past oil spills by a company that wants to build a new pipeline through Greater Memphis.

Even though the spills — more than 140,000 gallons on the California coast in 2015 and more than 1 million gallons in Canada's Peace River in 2011 — occurred on aging pipelines that Plains All American Pipeline didn't build itself.

Especially when the company answers to no single regulatory agency for pipeline routing, and it's vested with state-like powers to go through private property.

And this pipeline would cross an active earthquake zone that holds an underground reservoir of drinking water for more than a million people.

Representatives of the proposed Byhalia Connection pipeline have spent recent months assuring landowners, environmentalists, elected officials and the public they'll go above and

PIPELINE CONTINUED ON P2



Storage tanks on Wingo Road sit at the terminus of the Byhalia Connection pipeline in Marshall County. The pipeline is expected to carry as much as \$21 million in crude oil a day moving from Oklahoma to the Gulf Coast.



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beyond federal standards for building and operating the pipeline.

But along a 45-mile path, from modest neighborhoods in southwest Memphis to DeSoto and Marshall counties' farms and rapidly developing suburbs, residents are anxious about potential effects on the environment and their property.

Environmentalists say a pipeline failure could be disastrous for the Memphis Sands aquifer, a vast underground lake that supplies drinking water to Memphis and surrounding communities. They believe the risk is increased by elevated seismic activity along the New Madrid fault, which passes west of Memphis.

Houston-based Plains downplays the risk and says its pipeline would be cleaner and safer than moving crude oil by other means, such as truck, rail or barge.

Pipelines are nothing new in the Memphis area. They've been in the ground for years, safely carrying crude oil to the Valero refinery in South Memphis and to refineries in the Midwest, jet fuel to the FedEx Express world hub at Memphis International Airport and natural gas to consumers and industry.

The latest pipeline proposal comes at a time of heightened concern about the environment and the Memphis aquifer, and critics see little local benefit in a project designed to boost oil exports.

It would begin near the Valero refinery, where Plains' Diamond pipeline currently terminates, and extend south through a populous area of southwest Memphis, then east through DeSoto County to connect with the decades-old Capline on the eastern fringe of metropolitan Memphis.

Plains has cited preliminary numbers from the University of Mississippi that the pipeline would generate \$60 million in economic impact from construction and about \$3 million a year in local taxes, while creating more than 500 direct and indirect jobs during construction.

Plains says 98% of about 300 property owners along the route have agreed for surveyors to come on their land. The company considers survey permission a good sign of its chances of gaining access through property without resorting to eminent domain power.

Plains hopes to have survey agreements secured soon, clearing the way for a final determination on the route. The company wants to build the pipeline in 2021 and have it in operation by the end of that year.

alternate route.

Citing "no determination person of the since 2004 and en spills in the since 2004, the beginning plus put, there are

Many aren't convinced.

President & Chair



RESIDENTS SCRUTINIZE PLANS

Memphian Doris Wright came to a Plains information session at a Westwood church recently with questions about how selling right-of-way for the pipeline might affect a wooded, 5-acre tract off Weaver Road. The land once belonged to her late husband's grandmother.

"Is it going to affect the environment coming through? What if the pipe busts? How is it going to affect the people in this area? Does it devalue my property?" Wright said. "It's old forest land, but it borders with people who have homes, going west."

She and her late husband saved the family tract at a tax sale 30 years ago.

"It's just been in the family ever since, and we wanted it to stay there," Wright said.

David Gross learned the pipeline comes within 2.9 miles of his home in southwest Memphis, and said he was fairly satisfied with company explanations about how it would be built and operated.

"I wouldn't say I'm worried, but I would always be concerned, because anything that is made, it can be not perfected. We might think it's perfected but it's not," Gross said.

The DeSoto County Board of Supervisors wrote to Plains chief executive officer Willie Chiang to oppose the pipeline "through the heart of prime real estate in DeSoto County" and to ask for an alternate route

Citing "no direct benefit" to DeSoto County residents and Plains' history of more than a dozen spills in the U.S. and Canada since 2004, the board wrote, "Simply put, there are other places the Corporation could construct the pipeline to avoid so severely impacting the growth, environment and property values of DeSoto County."

Supervisors began hearing from residents in the middle of 2019 about surveyors making contact on behalf of a pipeline company. While the board's only power is over pipeline crossings affecting county property such as roads, the lack of respect from Plains in the early stages irked supervisors.

"On the front end, they didn't want to give us a map of the route. That's too secretive, to me. We're the governing body of this county," said board president Jessie Medlin.

"That oil is coming to be exported," Medlin added. "Really, we're not getting anything out of it."

UNWELCOME NEIGHBOR

The pipeline plan has rocked Chris Pilcher's world.

Pilcher and his wife bought five rural acres and built a home outside Olive Branch a year ago, not knowing the pipeline was coming. Recent plans call for it to come within 30 feet of the yard where the Pilchers' children, 3 and 6, play.

Pilcher is afraid of what the pipeline could mean, both environmentally and value wise, for the neighborhood of large-lot homes surrounded by farm land and drained by a creek that meanders south toward the Coldwater River.

"It's nice to have your own piece of land without people telling you what to do. And now we've got bullies coming in, big oil, telling us what we can and can't do," Pilcher said.

"I think we need to stop it, I really do," Pilcher said. "No need for it. If anything, we need to be looking for more clean energy solutions.

We've got enough oil. When we're looking at climate change and global warming, why would we put more crap in the ground that's going to produce more of that?"

CROSSING THE AQUIFER

Representatives of the Sierra Club and Protect Our Aquifer say the pipeline would pass through areas of known or suspected breaches in the aquifer, including a well field that supplies drinking water to southwest Memphis. On the east end, a significant section of pipeline would cross land where the aquifer rises up to the surface, known as the recharge zone.

The Sierra Club regards the pipeline as unnecessary and a threat to the environment, said Scott Banbury, conservation program coordinator, Tennessee Chapter of the Sierra Club.

"The Sierra Club's position is that the build-out of all these unnecessary crude oil and natural gas pipelines for exports is anathema to our goal of stopping climate change," Banbury said. "We should be leaving fossil fuels in the ground. If not, we should be using them for our own needs, not burning them as quickly as possible."

The club also is wary of damage to surface waters and the underground Memphis Sands aquifer during construction and operation of the pipeline.

"If we ever have a severe earthquake near Memphis, these pipelines are going to go. It's not a matter of if they're going to leak, but when they'll leak," Banbury said.

The Association of Oil Pipe Lines 2019 annual report said liquid pipelines delivered product safely 99.999% of the time and that accidents affecting people or the environment dropped 20% over

five years. Total pipeline deliveries of oil were up 44% over five years, at 6.5 billion barrels.

But an extremely small percentage of failure could translate into a large oil spill.

Pipeline operator Enbridge touted "a decade long safe delivery record of 99.99966%" between 2008 and 2017, when it moved 22 billion barrels of crude oil and liquids. An oil spill by Enbridge in Michigan in 2010 was later estimated by the EPA at more than 1 million gallons.

REGULATING THE PIPELINE

Deborah Carington, a geologist who serves on Protect Our Aquifer's board, has questioned Plains officials extensively about the aquifer and seismic issues.

"What I came away from those meetings with was they're not having to speak to the aquifer or seismic hazards in the permitting process," Carington said.

In a letter to Plains, Carington wrote, "Based on public data, about a quarter of the route crosses the outcrop or unconfined area of the Memphis/Sparta aquifer in DeSoto and Marshall Counties. The unconfined area is where the aquifer formation is present at the surface and therefore most vulnerable to a pipeline leak which could result in direct contamination of the source of our drinking water.

"Additionally, the entire route should be considered sensitive because even where a confining clay layer isolates the Memphis aquifer, a shallow aquifer is present and breaches or windows in the confining clay layer can allow contamination from the surface to reach the deeper Memphis aquifer," Carington added.

A Horn Lake native, Carington received a master's in geology from the University of Memphis, worked as a graduate assistant at the university's earthquake research center and later moved to Texas.

Carington serves on the Edwards Aquifer Authority, an elected board that oversees San Antonio's water supply. She and her sisters still own the family home on Church Road, about 2 miles from the pipeline route.

Carington said she was surprised to find no permit requirement for crossing the aquifer.

"I was really just floored to learn that they did not have to consider groundwater in their application, that they didn't have to have an environmental assessment that the public could see, about the possible negative impacts to the aquifer and our groundwater, especially because this is the drinking water source for such a large area," Carington said.

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PIPELINE CONTINUED FROM P2

Plains has committed to a third-party seismic study and to consult with experts on the aquifer, including the Center for Applied Earth Science and Engineering Research (CAESER) at the University of Memphis. CAESER is in the second year of a five-year aquifer study for Memphis Light, Gas and Water Division.

CAESER's study is designed to identify known or suspected breaches in the aquifer and investigate how they might be affecting the underground water supply.

The U.S. Dept. of Transportation's Pipelines and Hazardous Materials Safety Administration sets construction standards for pipelines but has no authority over routes. The operator is required to consider external forces including seismic activity, but the third-party study isn't required to be submitted for a permit, Carington said.

Carol Howard, senior environmental permitting specialist for Plains, said the company doesn't need a permit to traverse the aquifer, but "it's an area that we recognized early on as sensitive to everybody around here."

"We understand that that's the drinking water source and it should be protected," Howard said. "You're right, I'm not aware of any regulatory agency that says anything specific, permit-wise, you have to do to traverse the area. But knowing it was a critical resource, we've reached out to the University of Memphis group they call CAESER.

"Whenever we build our pipeline, there's any number of safety features, from planning, during construction, post-construction monitoring, and all of that. Based on some of the elevated concerns and different people who have come by and asked this question during some of our other meetings, we have been looking at getting some additional studies done, so we are as informed as we can be about the aquifer," Howard said.

In addition to receiving a permit from the federal Department of Transportation, Plains will submit findings of its field surveys to the U.S. Army Corps of Engineers, Howard said. Corps and Tennessee Department of Environment and Conservation permits are required where the pipeline interacts with certain surface water bodies.

The surveys note the presence of historical and cultural sites, endangered species, wetlands and other resources along the route.

Howard said, "We're currently finishing all of our field work right now. We have our third-party consultants in the field doing all the wetland and waterway delineation ... T and E (threatened and endangered) species review and cultural resources review. We don't have a full number (of water crossings) at this point, but we do know we're going to be submitting everything we find to the Corps of Engineers. They'll review all the different water crossings."

PLAINS' TRACK RECORD

Plains has asserted the Byhalia Connection, like 4,000 miles of pipelines it has built in the last 15 years, would be built to the company's latest standards.

Not like the 901 Line, which spewed 140,000 gallons of crude in 2015 in Refugio State Park in what was called California coast's worst spill in 25 years; or the Rainbow pipeline, source of a 1.1-million-gallon spill in 2011 that was reported to be Alberta, Canada's largest in three decades. The 901 and Rainbow were older pipelines acquired by Plains, which netted a \$3.35 million fine for the California spill.

 $Company \, representatives \, said \, pipelines \, built \, by \, Plains \, have \, generally \, been \, safer \, than \,$

those they acquired.

The Daily Memphian asked for data to back up that statement. Company officials said they were unable to provide a breakdown of comparative safety records of pipelines built by the company versus those that were built by other companies.

Plains spent more than \$500 million on "maintenance and integrity" in 2018: \$248 million on "integrity" projects to strengthen, reinforce and improve existing lines; and \$252 million on pipeline maintenance and monitoring, spokeswoman Celina Espinoza said.

In addition to the California and Alberta spills, Plains was involved in a dozen or more other spills since 2004. A 2015 spill sent 4,000 gallons of crude oil into waterways around Highland, Illinois.

In 2010, Plains reached a settlement with the Environmental Protection Agency and Justice Department regarding Clean Water Act violations for 10 crude oil spills in Texas, Louisiana, Oklahoma and Kansas between 2004 and 2007. It agreed to pay a \$3.25 million civil penalty and spend about \$41 million to upgrade 10,420 miles of pipeline.

Federal records showed four incidents at Plains-operated oil storage facilities in southern Mississippi since 2013, none of them involving pipelines.

Plains built the Diamond across Oklahoma and Arkansas, drilling underneath the Mississippi River to bring a ready supply of crude oil to the Valero refinery. The Diamond has shown no safety incidents since it was put in service in 2017.

In all, Department of Transportation regulators noted 212 incidents at Plains-run facilities from 2010 to 2019.

EXCEEDING STANDARDS?

In presentation materials and interviews at public meetings held in the affected area in February, Plains officials described the design, construction and operation of the pipeline.

The company is typically asking owners for a 50-foot-wide easement -25 feet on either side of the pipeline. Residents say Plains is offering \$30 per linear feet of pipeline.

Plains would clear the land before construction. Trees couldn't be planted in the vicinity of the pipeline, but DeSoto officials were told that the land could still be farmed.

Jon Shaffer, Plains senior project manager, said the pipeline would be 24 inches in diameter and buried at least 4 feet below ground, a foot deeper and with thicker pipe walls than DOT requires. Pipeline material is ductile, carbon steel that has some give in it, Shaffer said.

Plains says it X-rays all pipeline welds during construction before putting the line in service and conducts internal and external integrity assessments before and after putting lines in service. Pipes are outfitted with corrosion monitoring technology.

Plains plans nine shutoff valves along the route, but not necessarily every five miles. Plains evaluates the topography and the line's flow rate to determine ideal locations for shutoff valves, Shaffer said.

Shaffer said the system is designed to automatically shut down if a 4.0 intensity earthquake is detected within 50 miles of the line.

The distance between shutoff valves is a source of concern to the community.

"Even if the shutdown is immediate, it doesn't matter," Chris Pilcher said. "You're talking about five miles (between shutoffs), and the pressure is 1,500 PSI. Regardless of the size of the leak, if they shut it down and they get somebody out there in eight hours to fix it, that pipe is probably going to be empty."

Plains' control center in Midland, Texas will be linked via satellite to the Byhalia Connection pipeline and valves, remotely monitoring conditions that might indicate a problem, said Tux Jackson, Plains damage prevention specialist, Mid-Continent.

(In the 2015 California spill, Plains was cited by federal authorities for multiple errors by remote operators in Texas, including restarting the line after it had been automatically shut down.)

Jackson said once the line is in operation, Plains will employ a three or four-person local crew to cover the area on a 24-7 basis.

The company plans to have a plane fly the pipeline route weekly, compared to required biweekly aerial inspections, to look for threats and signs of trouble. Internal inspections would be performed periodically using inline inspection devices.

Shaffer said a containment structure, such as a trench, isn't practical as a backup in case the pipeline ruptures. "No, not for a linear project like this. Storage tanks are a little easier to manage that way. There is not a secondary containment, so to speak, around a pipe," Shaffer said.

Shaffer said the pipeline would have no above-ground crossings of streams and bodies of water. It would use a drilling technology that goes beneath streams. Once completed, all that will be visible above ground are the nine valves and their enclosures and pipeline markers.

WINNERS, LOSERS?

As DeSoto supervisors, the Sierra Club and others noted, the Byhalia Connection's benefit to the community has been disputed. In early communications about the project, Plains emphasized the pipeline's role in feeding the export market.

Shaffer said the rated design capacity of the Byhalia Connection would be up to 420,000 barrels a day. That's up to 17.6 million gallons of oil a day, worth about \$21 million at \$50 a barrel.

Plains proposes to build the pipeline in cooperation with Valero Energy, which operates the Memphis refinery that supplies jet fuel to Memphis-based FedEx and motor vehicle fuel retailed around the area.

The project would extend the Diamond, which now terminates at Valero, to the south into DeSoto County, then east to Byhalia, to connect with a decades-old pipeline, the Capline, which runs north-south on the east side of metropolitan Memphis.

The Capline was built to move crude oil from Louisiana to refineries in Illinois when the U.S. was a net importer of oil.

With the rise of domestic oil production and a 2015 reversal of a ban on most exports of U.S. oil, Plains and other Capline owners have won approval to reverse the Capline's flow to speed the movement of oil for export.

During community meetings, the pipeline also was touted as a way to replenish Valero's bulk storage tanks on Wingo Road next to Interstate 269 in Marshall County.

A smaller crude oil pipeline leads from the storage tanks through northern DeSoto County and the Memphis airport area, back to Valero. It's one of several underground oil, natural gas and jet fuel pipelines that already crisscross the Memphis area.

Shaffer said, "It's a two-fold benefit. It gets over to the Valero tanks, which stabilizes the feed stocks for the refinery, and it also provides excess capacity to go down the Capline system, which eventually goes to the Gulf Coast for export or the refining base on the Gulf Coast."

Shaffer said the current route was "the 20th iteration of this line. Initially we were parallel to the other lines coming in there. We elected to get out of it because it goes

through some heavily populated areas. We don't want to be there."

"We looked at paralleling State Line Road," the approximate route of Valero's existing line. "There are several neighborhoods in that area as well."

Why doesn't Valero build more storage tanks near the refinery, if a backup oil supply is the goal?

"The refinery is landlocked, so it's not an option of putting tanks there anymore," Shaffer said. "They're kind of stuck with what they've got."

Landowners and DeSoto supervisors have questioned whether a pipeline would lower property values.

Asked if it could supply research addressing the issue, Plains referred a reporter to a 2016 study by a group of natural gas pipeline operators, the INGAA Foundation, that found "no measurable impact on the sales price of properties located along or in proximity to a natural gas pipeline..."

A PATH FORWARD

Representatives of the Sierra Club, Protect Our Aquifer and the affected communities say the regulatory structure and power of eminent domain appear to give Plains a leg up on critics and opponents.

While Plains says it prefers to acquire land rights voluntarily, without resorting to litigation, the company has made clear to landowners that the law is on Plains side. That includes both land negotiations and the threat of having law enforcement escort company agents into potentially hostile territory.

"I know the county submitted something and said we're opposed to it, but at the end of the day, if the (eminent domain) law doesn't change, it doesn't matter," Pilcher said.

"They don't need your permission. One of the problems in Mississippi is they have the exact same rights as a utility company, which is absolutely crazy, because that's something that we need. We don't need this pipeline," Pilcher said.

"We do have a very strong community. People are speaking out, but it's divide and conquer. If one person says 'no,' they go to the next house and they say 'yes'. But if we can come together as a community and tell them we don't want this in our backyard, then I think we have a better chance of stopping it," Pilcher said.

Protests and legal challenges have slowed, but not stopped, the high-profile Dakota Access and Keystone XL pipelines in recent years.

Native American and environmental groups fought the Dakota Access to a draw before the federal government expedited completion early in the administration of President Donald Trump. The Keystone XL also was revived and is the pre-construction phase.

Protect Our Aquifer president Ward Archer said the organization is trying to raise awareness of Plains' plans for the Byhalia Connection and make sure the company understands the depth of feeling about the project in the community.

Geologist Deborah Carington with Proteect Our Aquifer said, "I feel like Plains needs to address these issues and communicate to us that they are taking it seriously and they're taking precautions."

"It is an unusually environmentally sensitive area. I wish they did not have to cross this route, that it could be modified," Carington said.

For now, there seems to be no magic bullet – no regulatory agency that could force the issue.

"I guess the answer is, I don't know. I have not come across one," Carington said.